

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

North Shore Gas Company	:	Docket No. 23-0068
	:	
Peoples Gas Light and Coke Company	:	Docket No. 23-0069
	:	
Proposed general increase in rates and	:	(cons.)
revisions to service classifications, riders	:	
and terms and conditions of service.	:	

COMMISSIONERS' QUESTIONS

The Administrative Law Judge is directed to issue the following questions to the Companies. The Companies' verified responses are to be filed on e-Docket, and all other parties are to be provided an opportunity to file verified replies on e-Docket, on a timely and reasonable schedule determined by the Administrative Law Judge.

1. How would the proposed rate increase and rate design affect residential customers (\$/month), particularly those already having difficulty paying bills or staying connected?
 - a. Other than existing utility bill assistance programs, what rate changes or affordability measures are being proposed to reduce the number of customers who are in arrears?
2. Within the \$4.7B rate base, provide a summary of capital expenditures itemized by:
 - a. non-QIP modernization (pressurizing, meter relocation, etc.),
 - b. non-QIP replacement, and
 - c. new line extension.
3. Directed to the Companies only - Provide an itemized summary of consultant contracts and their associated costs.
4. How have Federal electrification priorities, electrification initiatives like Illinois' 220 ILCS 5/8-103B(b-27), and the general trend toward electrification been considered in scaling or targeting proposed main replacement investments?
 - a. Over what time horizons do the supporting data, models, or reports project the effects of plausible electrification scenarios on the gas distribution system?
 - b. What actions could best mitigate stranded asset issues?
 - c. How will affordability issues be addressed when customers least able to make early electrification choices face higher rates?
5. Peoples filed a rate case in lieu of pursuing QIP extension beyond 2023 (PGL Exhibit 1, p.2) and has approximately 1,500 miles (Kiefner Study 2020; PGL SMP Report 2022) of Cast Iron/Ductile Iron (CI/DI) pipeline to replace. Given that Peoples plans to continue the Safety Modernization Program (SMP) after Rider QIP sunsets (PGL Exhibit 1, p.3):
 - a. Provide a completion timeline and cost estimate separately for each of the following activities:
 - i. replacement or retirement of remaining Cast Iron/Ductile Iron pipe,
 - ii. accelerated leak reduction,
 - iii. relocation of meters from inside customers' facilities to outside, and

- iv. upgrading of the gas distribution system from a low pressure to a medium pressure system.
 - b. What are alternatives to Peoples' current neighborhood model? Include benefits and drawbacks to each alternative.
- 6. For SMP-related main replacement under either a QIP or rate case scenario, what modifications to current replacement programs are suggested by achieved pace, cost, and safety results from experience to date?
 - a. For example, provide 1) identified alternatives to current planning models that could improve speed or cost efficiency, 2) improved methods for prioritizing replacement/retirement of critical infrastructure with the highest risk of failure, and 3) whether Peoples' years of experience with pipeline replacement yielded locational data that can enhance prioritization of segment replacements (locational soil conditions or other risk factors).
 - b. The types of projects completed under the SMP program are not unique to Peoples, as natural gas distribution companies must undertake similar measures to maintain their systems. Are there any national best practices in risk assessment, prioritization of pipe replacement, and identification of local risk factors that can better inform the Company's prioritization strategy?
- 7. Given that large gas utilities have been directed to implement low-income discount rates (LIDR), please address:
 - a. the justification for proposed discount rate eligibility tiers,
 - b. any anticipated cost impacts to customers receiving the discount rate and to customers who are not,
 - c. how LIDR will impact fixed customer charges,
 - d. an explanation of the expected impact of LIDR on emissions and/or Illinois' achievement of its clean energy goals, and
 - e. proposed enrollment processes for eligible customers receiving the discount rate, as well as any alternatives or utilization of existing datasets considered.